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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
CC Docket No. 98-170

TRUTH -IN-BILLING AND BILLING FORMAT

COMMENTS

Introduction

2. As a competitive telecommunications service provider, operating in the Cellular Radiotelephone Service which serves rural communities, Liberty's interest in this matter derives from its concern that new billing standards proposed by the Commission will be burdensome to

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competitive telecommunications providers, specifically wireless service providers, and not achieve the intended purposes.

Proposals For Organization of Customer Bills are Unnecessary and Would Be Expensive For Competitive Carriers To Provide on a Monthly Basis

3. One particular proposal in the Commission's NPRM is that customer bills should provide consumers with clear and conspicuous notification of any changes or new charges in their bills, such as a separate page which highlights any changes in the customer's service status information or new charges since the customer's last bill. Liberty contends that such a requirement is unnecessary and would be expensive for all carriers to implement. To provide such information to all of its customers on a monthly basis would require Liberty to develop a billing database with the ability track such information. The cost of maintaining such a database is prohibitively expensive for competitive telecommunications providers in rural communities because not all carriers, or their billing contractors have databases which are capable of supporting the variety of summary information the FCC is proposing be provided to customers. To require a complete overhaul of these systems is unreasonable and places a roadblock to competition, particularly for prospective competitors in rural areas. Furthermore, the cost of such a database would be substantial and one which Liberty would find necessary to recover from its customers.

4. Liberty further contends that the Commission's proposed billing formats are unnecessary because any business' ability to satisfy its customers is one of that company's greatest competitive advantages. Customers seemingly are interested in changes to their bill format and telecommunications carriers, of all sorts, are trying to respond. The concern, however, is that the

Commission will prescribe mandates for billing format which will be unduly burdensome for competitive wireless providers to meet (particularly small carriers which often do not prepare their own bills in-house) and thereby will hamper that carrier's ability to retain or gain a competitive edge in their service area. Liberty submits that it is ultimately better to rely on the customer-carrier relationship and allow customers to contact their service providers with questions about their bills and allow carriers to design their bills based upon customer feedback as opposed to government mandate. This would allow more freedom for carriers to compete based on the customer service they provide. The competitive marketplace assures that displeased customers will seek out an alternative service provider if they do not receive satisfactory service. Competitive pressure is more compelling than any artificial mandate.

5. Furthermore, several of the proposed organizational changes result in additional pages to the customer's bill. The Commission's NPRM proposes separate pages to present separate categories of service within the telephone bill, separate page(s) to summarize current status of the customer's services, including the identity of the consumer's presubscribed carriers and service providers, and separate page(s) to indicate any status changes occurring within a telephone bill on a monthly basis, such as changes to presubscribed carriers and explanations of any new types of line item charges appearing on the bill for the first time. It is clear that use of additional pages would greatly increase the size of each customer's bill. In addition, a larger bill size would require additional postage, a cost that is ultimately passed along to the customer. Liberty submits that not only does the size of the bill and the additional information required create a burden on the carrier, it will also overwhelm the customer with additional information which may be confusing. Based

upon over eight years experience in billing its customers, Liberty has learned through direct contact with its customers that a majority of customers simply discard all of the additional pages and only retain the portion of the bill which states the total amount due. However, if the Commission deems such additional information necessary then Liberty proposes that the frequency of such an obligation should not be monthly, but rather annually.

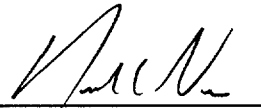
**The Use of Deniable and Non-Deniable Charges
On Customer Bills Is Burdensome For All Telecommunications Carriers**

6. In its NPRM, the Commission seeks comment on whether or not telephone bills should differentiate between “deniable” and “non-deniable” charges. Such a distinction, as proposed by the FCC, would allow customers to not pay select charges which they believe to be inaccurate without fear that their service will be disconnected. Of utmost concern to Liberty is the burden that such a proposal places on service providers. Liberty believes that in this situation consumers will consider these charges to be optional and will routinely not pay their bills with the assurance that their service cannot be discontinued. It should be clear to the Commission that the servicing of ongoing outstanding balances places a significant burden on service providers. This becomes even more complicated where the customer fails to pay charges that are passed through from other service providers on the carrier’s bill. In this instance, the carrier is forced to take on the burden of policeman for several service providers, and ultimately suffers the majority of financial harm from non-payment of legitimate charges purely because the consumer deems the charges to be “optional.” Competitive service providers such as Liberty suffer an even greater level of burden and financial harm under these circumstances simply due to their small size and status as a competitive service providers. As a result, the ultimate burden of these mandates is borne by the paying customer.

Accordingly, Liberty disagrees with specific aspects of the Commission's NPRM on truth-in-billing and billing format which appear to place additional burdensome and costly measures on competitive telecommunications service providers. Instead of specific requirements, Liberty would recommend that the Commission issue guiding principals for billing format which give service providers flexibility, thus ensuring that alternative telecommunications service providers retain their ability to be competitive. Liberty requests that the FCC make modifications to its proposals if any rules are adopted and that wasteful obligations not be placed on competitive telecommunications service providers.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Loren Costantino, an employee in the law offices of Lukas, Nace, Gutierrez & Sachs, Chartered, do hereby certify that I have on this 13th day of November, 1998, sent by hand-delivery, a copy of the foregoing Comments to the following:

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